

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 58th LEGISLATURE - REGULAR SESSION**

#### **COMMITTEE ON BUSINESS AND LABOR**

**Call to Order:** By **CHAIRMAN JOE MCKENNEY**, on March 17, 2003 at 10:00 A.M., in Room 172 Capitol.

#### **ROLL CALL**

##### **Members Present:**

Rep. Joe McKenney, Chairman (R)  
Rep. Jim Keane, Vice Chairman (D)  
Rep. Donald Steinbeisser, Vice Chairman (R)  
Rep. Bob Bergren (D)  
Rep. Rod Bitney (R)  
Rep. Sylvia Bookout-Reinicke (R)  
Rep. Nancy Fritz (D)  
Rep. Kathleen Galvin-Halcro (D)  
Rep. Ray Hawk (R)  
Rep. Bob Lawson (R)  
Rep. Rick Maedje (R)  
Rep. Gary Matthews (D)  
Rep. Scott Mendenhall (R)  
Rep. Penny Morgan (R)  
Rep. Allen Rome (R)  
Rep. Sandy Weiss (D)  
Rep. Bill Wilson (D)

**Members Excused:** Rep. Dave Gallik (D)

**Members Absent:** None.

**Staff Present:** Bart Campbell, Legislative Branch  
Alberta Strachan, Committee Secretary

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

##### **Committee Business Summary:**

Hearing & Date Posted:	SB 341 (3/13/03); SB 172 (3/13/03)
Executive Action:	SB 172 Be Concurred In; SB 226 (Be Concurred In; SB 115 Be Concurred In As Amended

**HEARING ON SB 172**

**Sponsor:** SEN. WALTER L. McNUTT, SD 50, Sidney

**Opening Statement by Sponsor:**

SEN. McNUTT said this bill provided that a financial institution enters into an agreement to share or operate electronic terminals, does not forfeit its rights under federal or state law to charge customers fees or waive its other rights or obligations that exist under State law.

*{Tape: 1; Side: A; Approx. Time Counter: 31 - 46}*

**Proponents' Testimony:**

Keith Colbo, Executive Director, Montana Independent Bankers, explained the changes in the bill and provided written testimony.

**EXHIBIT** (buh56a01)

*{Tape: 1; Side: A; Approx. Time Counter: 46 - 127}*

Annie Goodwin, Commissioner of Banking & Financial Institutions, said they supported this bill.

*{Tape: 1; Side: A; Approx. Time Counter: 127 - 137}*

John Cadby, Montana Bankers Association, said they supported the bill.

*{Tape: 1; Side: A; Approx. Time Counter: 137 - 139}*

Bob Pyfer, Montana Credit Union Network, said they supported the bill.

*{Tape: 1; Side: A; Approx. Time Counter: 139 - 144}*

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:** None

**Closing by Sponsor:**

The sponsor closed and said REP. STEINBEISSER will carry the bill on the House Floor.

*{Tape: 1; Side: A; Approx. Time Counter: 144 - 154}*

**EXECUTIVE ACTION ON SB 172**

*{Tape: 1; Side: A; Approx. Time Counter: 155 - 315}*

Motion/Vote: REP. BERGREN moved that SB 172 BE CONCURRED IN. Motion carried 18-0 with REP. KEANE giving a voice vote for REP. GALLIK.

Motion/Vote: REP. STEINBEISSER moved SB 172 BE PLACED ON THE CONSENT CALENDAR. Motion carried 18-0 with REP. KEANE giving a voice vote for REP. GALLIK.

REP. STEINBEISSER will carry the bill on the House Floor.

EXECUTIVE ACTION ON SB 226

Motion: REP. GALVIN-HALCRO moved that SB 226 BE CONCURRED IN.

Motion: REP. LAWSON moved that SB 226 BE AMENDED.  
**EXHIBIT** (buh56a02)

Discussion:

Mr. Campbell explained the amendments.

REP. MORGAN asked if this amendment might enter into litigation because a person has been arrested or charged and has not been formally charged or found guilty of a crime.

REP. LAWSON said he had not considered that possibility. He commented on the fact that with the amendment the bill will be of more harm than good.

CHAIRMAN MCKENNEY said he supported the amendment.

Motion: Motion carried 18-0 with REP. KEANE giving a voice vote for REP. GALLIK. (Exhibit 2)

Discussion:

Motion: REP. LAWSON moved that SB 226 BE CONCURRED IN AS AMENDED.

Discussion:

REP. GALVIN-HALCRO asked REP. LAWSON about the landlord of a residence being required to disclose information to a potential renter if there had been a meth lab in that residence. Mr. Campbell said to inform a renter that a previous tenant had been evicted on that basis would fit the title. But as a conceptual amendment would require research to cover all areas of the bill.

**REP. LAWSON** said he felt uncomfortable with the amendments which just passed Committee.

**CHAIRMAN MCKENNEY** said the issue would be required to be disclosed under the current law.

**Vote:** Motion carried 17-1 with **REP. GALVIN-HALCRO** voting no and **REP. KEANE** giving a voice vote for **REP. GALLIK**.

**REP. LAWSON** will carry the bill on the House Floor.

**HEARING ON SB 341**

**Sponsor:** **SEN. DUANE GRIMES, SD 20, Clancy**

**Opening Statement by Sponsor:**

**SEN. GRIMES** said this bill increased from 30 to 45 days the time required for an insurer to provide notice to a policyholder of a cancellation, nonrenewal, or renewal with changes of property or casualty insurance. It also covers motor vehicle liability insurance, or private residence insurance by increasing the notification requirement for cancellation.

**{Tape: 1; Side: A; Approx. Time Counter: 321 - 384}**

**Proponents' Testimony:**

**Roger McGlenn, Executive Director, Independent Insurance Agents of Montana**, provided written testimony.

**EXHIBIT** (buh56a03)

**{Tape: 1; Side: A; Approx. Time Counter: 384 - 480}**

**Angela Huschka, State Auditor's Office**, said this bill provides consumers of insurance products more notice when a policy will be nonrenewed or cancelled. It allows the consumer additional time to search alternative coverage from another insurer or shop for the best value.

**{Tape: 1; Side: A; Approx. Time Counter: 480 - 498}**

**Opponents' Testimony:**

**Greg Van Horssen, State Farm Insurance Company**, said he was a reluctant opponent. He also said many states require longer than 30 days for nonrenewals. Most states allow for 30 days. He said he would bring this suggestion in amendment form.

**{Tape: 1; Side: A; Approx. Time Counter: 498 - Tape: 1; Side: B; Approx. Time Counter: 54}**

**Dwight Eastman, Farmer's Insurance**, said they opposed the bill. They also asked for a possible amendment to change the effective date from October 16, 2004 to January 1, 2004.

**{Tape: 1; Side: B; Approx. Time Counter: 54 - 65}**

Informational Testimony: None

Questions from Committee Members and Responses:

**REP. BITNEY** asked Mr. McGlenn about the effective date and the 30-day advanced notice. **Mr. McGlenn** said he objected to changing the 30-day advanced notice and he would agree to amendments regarding the effective date.

**{Tape: 1; Side: B; Approx. Time Counter: 65 - 90}**

**REP. BOOKOUT-REINICKE** asked Mr. McGlenn about the 45 days whereby an insurance company can make the decision they are going to cancel an insurer. **Mr. McGlenn** said if the insurance company is going to nonrenew or cancel, the insurance company is currently required to give an insurer 30 days or more notice. This bill would extend that notice to 45 days. The insurer must give you notice in that time frame.

**{Tape: 1; Side: B; Approx. Time Counter: 90 - 118}**

Closing by Sponsor:

The sponsor closed.

**{Tape: 1; Side: B; Approx. Time Counter: 118 - 201}**

EXECUTIVE ACTION ON SB 115

Motion: **REP. BERGREN** moved that SB 115 BE CONCURRED IN.

Motion: **REP. MORGAN** moved that SB 115 BE AMENDED.

**EXHIBIT** (buh56a04)

Discussion:

**Mr. Campbell** explained the amendments.

Vote: Motion carried 18-0 with **REP. KEANE** giving a voice vote for **REP. GALLIK**.

Motion: **REP. MORGAN** moved that SB 115 BE CONCURRED IN AS AMENDED.

Motion/Vote: REP. WEISS moved that SB 115 BE AMENDED. A roll call vote was taken. Motion failed 6-12 with REPS. KEANE, FRITZ, GALLIK, GALVIN-HALCRO, WEISS, WILSON voting aye and with REP. KEANE giving a voice vote for REP. GALLIK.

**EXHIBIT** (buh56a05)

Discussion:

REPS. MENDENHALL and BOOKOUT-REINICKE opposed the amendment.

REP. KEANE supported the amendment.

Substitute Motion/Vote: REP. MORGAN moved that SB 115 BE CONCURRED IN AS AMENDED. A roll call vote was taken. Motion carried 12-6 with REPS. KEANE, FRITZ, GALLIK, GALVIN-HALCRO, WEISS, WILSON voting no and REP. KEANE giving a voice vote for REP. GALLIK.

REP. MENDENHALL will carry the bill on the House Floor.

**ADJOURNMENT**

Adjournment: 11:25 A.M.

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REP. JOE MCKENNEY, Chairman

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ALBERTA STRACHAN, Secretary

JM/AS

**EXHIBIT** (buh56aad)